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Honorable Christopher M. Alston
Chapter 11
Hearing Location: Seattle, Rm. 7206
Hearing Date: [To be determined]
Hearing Time: [To be determined]
Response Date: [To be determined]

UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF WASHINGTON
AT SEATTLE

In re: NORTHWEST TERRITORIAL MINT, LLC, Debtor.	Case No. 16-11767-CMA
MEDALLIC ART COMPANY, LLC, Plaintiff, v. MARK CALVERT, as trustee and on behalf of the estate of Northwest Territorial Mint, LLC; Defendant.	Case No. 16-11767-CMA Adv. Proc. No. 16-01196-CMA **TRUSTEE'S PRELIMINARY RESPONSE TO MEDALLIC ART COMPANY LLC'S MOTION FOR VOLUNTARY DISMISSAL**

Mark Calvert (the "Trustee"), Chapter 11 Trustee for Northwest Territorial Mint, LLC ("NWTM" or the "Debtor"), submits this Response to Medallic Art Company LLC's Motion for Voluntary Dismissal (the "Motion").

After eight months of vexatious and unnecessary litigation over issues including substantive consolidation, alter ego and ownership of certain assets of the bankruptcy estate at enormous cost to

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the estate[1], Medallic seeks to voluntarily dismiss its case and concede the substantive consolidation or the alter ego status of Medallic with the Mint and strike pending trial dates. The Trustee has no objection to the dismissal of Medallic's claims and defenses, and agrees that an order of substantive consolidation or alter ego should be entered. The Trustee does, however, object to an order of dismissal determining that there should be no award of fees and costs.[2] An order of dismissal should dismiss both Medallic's affirmative claims and its defenses to the Trustee's counterclaims. The Trustee believes that the May 2-4, 2017 trial dates can be stricken upon entry of such an order. The Trustee proposes an order in the form attached hereto as Exhibit A for that purpose.[3]

The Trustee believes that the Court should enter judgment on the Trustee's counterclaims for substantive consolidation and/or an alter ego determination and addressing the NWTM bankruptcy estate's ownership of assets based upon the concession of Medallic and its failure to prosecute this litigation. The Trustee is prepared to seek agreement with Medallic on a final form of order and judgment to be presented to the Court for consideration. The judgment should order substantive consolidation and/or an alter ego determination and should confirm the NWTM bankruptcy estate's ownership of certain assets.[4] If the parties cannot agree to a form of judgment, the Trustee is prepared to present a proposed form of order and judgment on notice to Medallic with an opportunity for objection and hearing.

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[1] Medallic's Motion contains irrelevant, spurious and unsupported allegations that the estate is administratively insolvent, which allegations its principal Mr. Hansen has been publishing for some time. Medallic's arguments that the estate has incurred significant professional expense burden are particularly troubling in that Medallic has been a primary cause of the professional burden in this case.

[2] The Trustee and his counsel received notice of the Motion for Voluntary Dismissal only yesterday, April 12, 2017. The Trustee's counsel is still in the process of evaluating whether and how the issue of costs and attorneys' fees should be brought before the Court.

[3] Trustee's counsel and counsel for Medallic have ongoing discussions regarding the form of this proposed order. The parties may reach agreement on a form of stipulated order and will advise the court if such agreement is reached.

[4] In particular, the judgment should expressly determine the ownership of the real property lease for the Dayton premises and the rights to certain intellectual property including tradenames.

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To the extent the Court so desires, the Trustee is available for a status conference regarding the means to address trial scheduling and other issues arising from Medallic's Motion to Dismiss its Claims.[5] The Trustee requests that the Court strike the trial after dismissing Medallic's claims and defenses to the Trustee's counterclaims and that the Court reserve issues regarding fees and costs.

DATED this 13th day of April, 2017.

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By */s/ Michael J. Gearin* ___________
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Attorneys for Mark Calvert, Chapter 11 Trustee

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[5] Medallic has suggested a telephonic status conference on Friday, April 14, 2017. The Trustee will be before the Court on an unrelated motion in this case on the morning of April 14. The Trustee is available in person or telephonically for a status conference in the afternoon of April 14.

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CERTIFICATE OF SERVICE

The undersigned declares as follows:

That she is a paralegal in the law firm of K&L Gates LLP, and on April 13, 2017, she caused the foregoing document to be filed electronically through the CM/ECF system which caused Registered Participants to be served by electronic means, as fully reflected on the Notice of Electronic Filing.

I declare under penalty of perjury under the laws of the State of Washington and the United States that the foregoing is true and correct.

Executed on the 13th day of April, 2017 at Seattle, Washington.

/s/ Denise A. Lentz
Denise A. Lentz

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